

For information or questions on any of these programs, please contact:
Office of Program Management
Tennessee Department of Economic and Community Development
312 Eighth Avenue North, 10th Floor
Nashville, Tennessee 37243-0405
Phone: 615.741.6201
Fax: 615.253.1870

For online applications go to <http://www.tnecd.gov>



APPLYING FOR GRANTS

How does a community apply for ARC?

Contact the Program Management office for information and assistance with the pre-application which is due in the fall of each year.

How does a community apply for CDBG?

Companies that are applying for a CDBG must show that the loan is appropriate for funding and documentation of a company's need for assistance. In addition, the company must also show a public benefit to the project.

Further, there is a pre-application meeting. Once the application is complete, Program Management requires 60 days for review. Typically, start-up projects take one month longer to review.

Additionally, there are other federal funding requirements:

- A federal environmental review
 1. No project costs may be incurred prior to the end of the environmental review
 2. During this time, no equipment may be ordered, no construction may begin and no dirt may be moved related to the project.
- Companies must agree that 51 percent of employees hired will come from low to moderate income families.
- Davis-Bacon wage rates apply to CDBG funding for construction.

How does a community apply for FIDP?

Applications are submitted by county governments, municipal governments, or other political subdivisions of the state authorized to receive and expend funds. Applications may be submitted at any time although pre-application of the project is encouraged.

Applications approval includes:

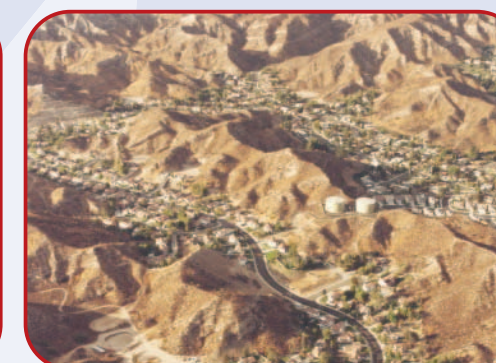
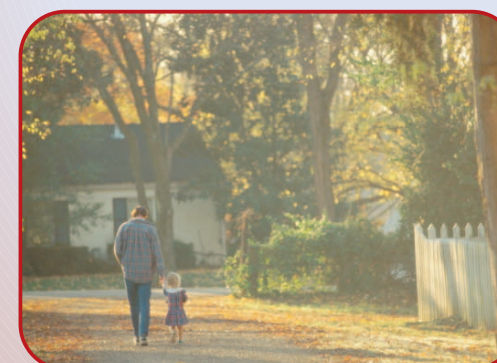
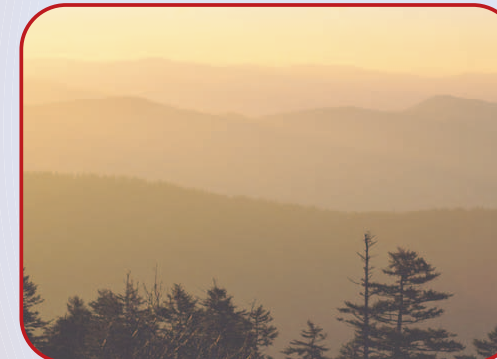
- A review of physical improvements
- A review of the business being assisted
- After approval, the state executes a contract with the applicant outlining the details of the agreement.
- The maximum of FIDP money awarded for any project is \$750,000.

How does a community apply for DRA?

Communities interested in applying for DRA assistance may call (615) 741-6201 for more information and a copy of the pre-application. Pre-applications are submitted to the local development district. Information on specific timelines may be accessed on the DRA web site. The local development district will submit the pre-application to DRA and Program Management.

How does a community apply for TAP?

Contact the ECD Program Management division for more information.



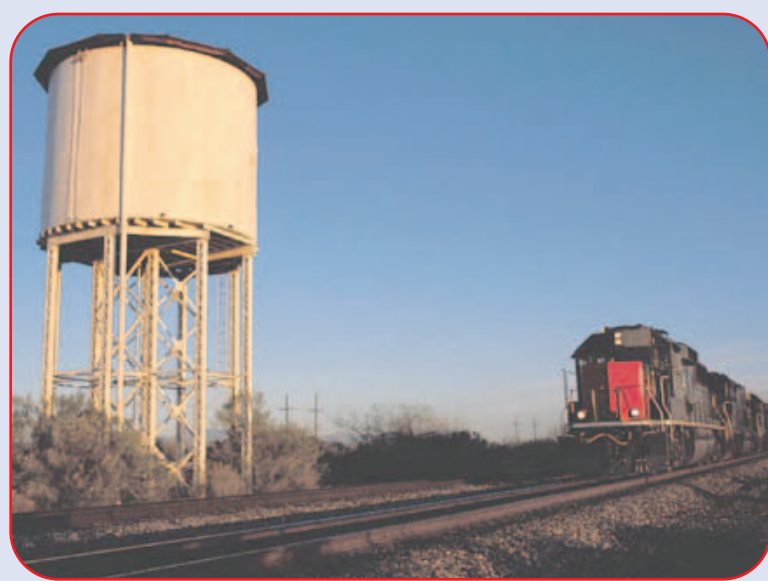
PROGRAM MANAGEMENT



TENNESSEE ECD DIVISION OF PROGRAM MANAGEMENT

If you are a local leader or official looking to attract new business to your community or an existing business looking to expand, then Community Development division of the Tennessee Department of Economic and Community Development may be able to help you.

Within Community Development, ECD operates a Program Management division that provides assistance to communities with grant and loan awards. These monetary awards are used to improve communities, helping them to attract business to their area.



What is the Appalachian Regional Commission (ARC)?

The Appalachian Regional Commission (ARC) program's mission is to improve water and wastewater services, increase jobs, enhance education, and improve living conditions in the Appalachian Mountains through grants from the Area Development Program and the Distressed Counties Program.

WHO QUALIFIES FOR AN ARC GRANT?

The 50 Appalachian counties in Tennessee. Counties receive one of the following designations:

- Attainment counties are not eligible for regional grants where they are the focus of a regional project serving other counties that are not attainment-designated. Competitive counties are eligible for 30 percent grants.
- Distressed counties are eligible for up to 80 percent funding.
- Transitional counties are eligible for grant rates of 50 percent. The state decides (with ARC approval) which grant rates will apply.

WHAT TYPES OF PROJECTS ARE ELIGIBLE?

Funds may be used for infrastructure projects such as water and wastewater in distressed counties (other counties must show compelling need to submit application), basic skills development, job-training programs, and enterprise development programs.

WHAT ARE THE TERMS OF THE GRANTS?

- Maximum grant - \$500,000
- Eighty percent of the total costs can be federally funded.

What are Community Development Block Grants (CDBG)?

The Community Development Block Grant (CDBG) program is a federally funded program. There are 12 cities and three counties in Tennessee that receive CDBG funds directly from the federal government. The program funds are used for community livability, water and wastewater infrastructure projects and housing and neighborhood revitalization projects

There are two components of the CDBG program:

- Community Grant Program
- Economic Development Loan and Grant Program

What is the Community Grant Program?

WHO QUALIFIES?

All city and county governments in Tennessee qualify, except those cities with populations over 50,000. Those cities receive funds directly from the federal government. CDBG funds must benefit low- and moderate-income persons, eliminate or prevent slums and blight and eliminate conditions detrimental to health, safety, or the public's welfare

WHAT ARE THE DETAILS OF THE PROGRAM?

The level of CDBG assistance is limited by the community's ability to pay.

Maximum grants are \$300,000 for community livability projects and \$500,000 for water/wastewater and housing rehabilitation/neighborhood revitalization projects.

Grants to one applicant cannot exceed \$750,000 for two successive years. Regional projects can receive grants up to \$1 million.

Economic Development Loan and Grant Program:

WHO IS ELIGIBLE?

Communities with new or expanding industrial manufacturing and distribution companies are eligible. City or county governments may apply for the grants.

WHAT ARE THE DETAILS OF THE PROGRAM?

Grants can be used for infrastructure projects and loans for building and/or equipment projects.

- Maximum amount awarded is \$500,000, except for special enhancement counties (those counties with high unemployment coupled with low income and high poverty levels) which can receive up to \$750,000.
- Local communities are required to match all grants for infrastructure based on the ability-to-pay index.
- Grants must have direct public and private benefit.
- The interest rate varies as the prime rate does. The base prime rate of the loan is established by the quarter the loan is awarded.



What is the FastTrack Infrastructure Development Program (FIDP)?

FIDP is a program that assists local governments with infrastructure needs for expanding or locating industries.

WHO IS ELIGIBLE?

All communities in Tennessee

Eligible businesses:

- Manufacturing and other economic activities selling more than half of their product or service outside of Tennessee
- Businesses in which more than half of their product or service enters into the production of products sold outside of Tennessee
- Other economic activities may be supported by FIDP funds if they are determined to have a beneficial impact on the economy of Tennessee.

WHAT ARE THE DETAILS OF FIDP?

Fund amounts are based on the number of jobs created, the quality of the jobs, the capital investment and the ability to pay index. The maximum grant is \$750,000.

Activities that FIDP may be used for include:

- Water systems such as development, structures, treatment plants, tanks, lines and other improvements associated with public water service.

- Wastewater systems such as collector lines, treatment plants and other improvements associated with public wastewater services.
- Transportation systems such as access roads, rail sidings, port facilities, airport improvements and other improvements associated with public transportation service.
- Site improvements such as leveling or drainage of property, making it suitable for the location or expansion of business.

What is the Telecommunication Assistance Program (TAP)?

The TAP program stimulates growth and procurement opportunities for small and/or minority-owned telecommunications businesses through loan guarantees.

WHO IS ELIGIBLE?

- Small and/or Minority-Owned businesses
- Businesses with gross sales of less than \$4 million
- The primary purpose or services of the business is electronic communications
- The business must be located in Tennessee

WHAT ARE THE DETAILS OF THE PROGRAM?

The maximum amount for loan guarantee is 80 percent of the principal amount of the loan and cannot exceed \$400,000 per loan guarantee to a business.

What is the Delta Regional Authority (DRA)?

The Delta Regional Authority program improves basic public infrastructure, transportation infrastructure, business development and job training.

WHO QUALIFIES?

All 21 West Tennessee counties.

WHAT TYPES OF PROJECTS ARE ELIGIBLE?

- Basic public infrastructure
- Transportation infrastructure
- Business development
- Job training
- Employment-related education

WHAT ARE THE DETAILS OF THE PROGRAM?

The level of DRA assistance is limited by the community's ability to pay and the amount of funding available for the year.

